Commission has given 'in principle' approval to the DPR on demonstration phase estimated to cost Rs. 1286 crores over a period of 5 years.

Increase in prices of Naphtha

2362. SHRI K. CHANDRAN PILLAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the prices of Naphtha has increased steeply since the re-imposition of excise duty;

(b) if so, the details of the prices of Naphtha from 2002, year-wise;

(c) whether the hike in the prices of Naphtha results in high production cost of power generated in Naphtha-based plants;

(d) if so, whether Government are considering exempting Naphtha from excise duty; and

(e) if not, the details of the steps Government propose to bring down the production cost of such power plants?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Naphtha is a dereguiated product and its prices are determined by the public sector oil marketing companies (OMCs) in line with movements in international market.

(b) The average basic selling price of Naphtha before excise duty, sales tax and other local levies ex-Mumbai for non-fertilizer customers is given below:

Year	Rs./MT
2002-03	14,585
2003-04	15,250
2004-05	20,590
2005-06	25,035
2006-07	28,520

(c) OMCs have informed that Government had granted exemption to all Naphtha based power plants from paying excise duty on Naphtha

vide notification dated 1.3.2002. However, this exemption was withdrawn by the Government and full excise duty @ 16% on Naphtha was re-imposed on these Naphtha based power plants in two phases *i.e.* with effect from 1.4.2005 and 2.7.2005. Both international and domestic prices of Naphtha have increased after re-imposing of excise duty of Naphtha for Naphtha based power plants.

(d) and (e) At present there is no proposal for exempting Naphtha from excise duty.

Oil exploration in Rajasthan

2363. DR. GYAN PRAKASH PILANIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of places where oil exploration is taking place in Rajasthan;

(b) the stages of progress of such exploration and potential thereof;

(c) whether a refinery is likely to be set up in Rajasthan and the role of ONGC therein;

(d) if so, its road-map and the details thereof;

(e) what would be the share of State/Centre in royalty; and

(f) whether any proposal from the State is pending with the Centre in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Exploration work in 10 (ten) blocks is being carried out in the districts of Ganganagar, Barmer, Jalore, Jaisalmer, Bikaner, Churu, Kota, Jhalwar and Jodhpur. Besides, 5 (five) more blocks have been recently awarded in Rajasthan and contracts for these were signed on 02.03.2006.

(b) Blocks are under various stages of exploration and development.

(c) The proposal for setting up a refinery at Barmer in Rajasthan is under the consideration of Oil and Natural Gas Corporation Limited (ONGC)/Mangalore Refinery and Petro-chemicals Limited (MRPL), a subsidiary of ONGC.